

SENATE BILL 532

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2001 Regular Session
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By: **Senators Miller, Dyson, and Middleton and the President**
(Administration)

Introduced and read first time: February 2, 2001

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 26, 2001

CHAPTER _____

1 AN ACT concerning

2 **Cigarette Restitution Fund—Implementation of the Creation of State Debt -**
3 **Southern Maryland Regional Strategy-Action Plan for**
4 **Agriculture —Issuance of Bonds**

5 FOR the purpose of ~~expanding the charge of the Maryland Economic Development~~
6 ~~Corporation to include assisting in the implementation of the Southern~~
7 ~~Maryland Regional Strategy-Action Plan for Agriculture; authorizing the~~
8 ~~Corporation to issue agricultural assistance bonds under certain circumstances;~~
9 ~~authorizing the State to sell to the Corporation certain rights, title and interest~~
10 ~~in a certain portion of the stream of payments from the Master Settlement~~
11 ~~Agreement to the Cigarette Restitution Fund under certain circumstances;~~
12 ~~authorizing the execution of a purchasing agreement between the State and the~~
13 ~~Corporation; prohibiting a certain portion of the stream of payments and the~~
14 ~~total obligations authorized under this Act from exceeding certain limits;~~
15 ~~requiring the proceeds from the sale of the agricultural assistance bonds to be~~
16 ~~used for certain purposes; providing that the obligations issued under this Act~~
17 ~~do not constitute obligations of the State or political subdivisions of the State;~~
18 ~~requiring the Executive Director of the Corporation to certify certain~~
19 ~~information each year; providing that certain interest shall be credited to the~~
20 ~~Cigarette Restitution Fund; requiring the Governor to include certain~~
21 ~~appropriations to the Corporation from the Cigarette Restitution Fund under~~
22 ~~certain conditions; defining certain terms; providing for the effective date of this~~
23 ~~Act; and generally relating to the issuance of obligations for the implementation~~
24 ~~of the Southern Maryland Regional Strategy-Action Plan for Agriculture~~
25 authorizing the creation of State debt to be issued in certain years, the proceeds
26 to be used as grants to the Tri-County Council for Southern Maryland to assist
27 in the implementation of the Southern Maryland Regional Strategy-Action Plan

for Agriculture adopted by the Tri-County Council for Southern Maryland; providing for disbursement of the loan proceeds; providing for the intent of the General Assembly concerning the inclusion of certain bond authorizations in the Capital Debt Affordability limit, the establishment of a repayment schedule, and the reduction of certain appropriations to implement a certain repayment schedule; providing for delayed effective dates; and generally providing for the issuance and sale of bonds evidencing the loans.

~~BY repealing and reenacting, with amendments,~~

~~Article 83A—Department of Business and Economic Development
Section 5-202(b)
Annotated Code of Maryland
(1998 Replacement Volume and 2000 Supplement)~~

~~BY adding to~~

~~Article 83A—Department of Business and Economic Development
Section 5-206.1
Annotated Code of Maryland
(1998 Replacement Volume and 2000 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article—State Finance and Procurement
Section 7-317
Annotated Code of Maryland
(1995 Replacement Volume and 2000 Supplement)~~

**SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
MARYLAND, That the Laws of Maryland read as follows:**

~~Article 83A—Department of Business and Economic Development~~

~~5-202.~~

~~(b) The General Assembly further declares and finds that the establishment of a State public corporation to develop certain vacant or underutilized industrial sites and facilities as well as other economic resources in which the private sector has not demonstrated serious and significant interest or development capability would serve the public interest. It would complement existing State marketing programs administered by the Department and through the Department's financial assistance programs such as those of the Maryland Industrial Development Financing Authority, the Maryland Industrial Land Act, and the Maryland Industrial and Commercial Redevelopment Fund Act. The General Assembly finds that the State lacks and needs direct property development capability for economic development purposes. THE GENERAL ASSEMBLY FURTHER DECLARES AND FINDS THAT THE PUBLIC CORPORATION SHALL ASSIST IN THE IMPLEMENTATION OF THE SOUTHERN MARYLAND REGIONAL STRATEGY ACTION PLAN FOR AGRICULTURE ADOPTED BY THE TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND.~~

1 ~~5-206.1.~~

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED:

4 (2) "AGRICULTURAL ASSISTANCE BONDS" MEANS THE OBLIGATIONS
5 ISSUED UNDER THIS SECTION AND PAYABLE SOLELY FROM THE SECURITIZED
6 PORTION TO FINANCE OR ASSIST IN THE FINANCING OF THE SOUTHERN MARYLAND
7 REGIONAL STRATEGY ACTION PLAN FOR AGRICULTURE.

8 (3) "CIGARETTE RESTITUTION FUND" MEANS THE CIGARETTE
9 RESTITUTION FUND ESTABLISHED UNDER § 7-317 OF THE STATE FINANCE AND
10 PROCUREMENT ARTICLE.

11 (4) "MASTER SETTLEMENT AGREEMENT" MEANS THE 1998 AGREEMENT,
12 AS MAY BE AMENDED FROM TIME TO TIME, EXECUTED BY THE STATE TOGETHER
13 WITH VARIOUS OTHER STATES, THE DISTRICT OF COLUMBIA, THE COMMONWEALTH
14 OF PUERTO RICO, GUAM, THE U.S. VIRGIN ISLANDS, AMERICAN SAMOA, AND THE
15 NORTHERN MARIANAS AND PARTICIPATING TOBACCO MANUFACTURERS TO SETTLE
16 TOBACCO LITIGATION MATTERS.

17 (5) "PURCHASE AGREEMENT" MEANS A CONTRACT, AS AUTHORIZED
18 UNDER SUBSECTION (B) OF THIS SECTION BETWEEN THE CORPORATION AND THE
19 STATE.

20 (6) "RESIDUAL INTEREST" MEANS THAT PORTION OF THE PAYMENTS
21 RECEIVED FROM THE CIGARETTE RESTITUTION FUND BY THE CORPORATION WHICH
22 IS NOT ANNUALLY REQUIRED TO:

23 (I) REPAY THE HOLDERS OF THE AGRICULTURAL ASSISTANCE
24 BONDS;

25 (II) ESTABLISH AND REPLENISH ANY RESERVE FUNDS CREATED IN
26 CONNECTION WITH THE ISSUANCE OF THE AGRICULTURAL ASSISTANCE BONDS;

27 (III) PAY ANY OTHER COSTS OF THE CORPORATION INCURRED IN
28 CONNECTION WITH THE ISSUANCE OF THE AGRICULTURAL ASSISTANCE BONDS; OR

29 (IV) PAY THE ACTUAL, REASONABLE, AND NECESSARY EXPENSES
30 OF THE CORPORATION TO IMPLEMENT THIS SECTION.

31 (7) "SECURITIZED PORTION" MEANS THAT PORTION OF THE
32 APPROPRIATION TO THE CORPORATION FROM THE CIGARETTE RESTITUTION FUND
33 NEEDED TO PAY:

34 (I) IN THE FISCAL YEAR THE AGRICULTURAL ASSISTANCE BONDS
35 ARE ISSUED:

36 1. THE PRINCIPAL AND INTEREST ON THE AGRICULTURAL
37 ASSISTANCE BONDS PAYABLE FIRST IN THAT FISCAL YEAR;

1 (I) A CASH PAYMENT IN THE AMOUNT OF THE NET SALES
2 ~~PROCEEDS OF THE AGRICULTURAL ASSISTANCE BONDS; AND~~

3 (II) DELIVERY OF THE RESIDUAL INTEREST TO THE CIGARETTE
4 ~~RESTITUTION FUND.~~

5 (2) ~~THE SECURITIZED PORTION MAY NOT EXCEED \$6,300,000 IN A FISCAL~~
6 ~~YEAR AND \$94,500,000 IN THE AGGREGATE.~~

7 (3) ~~NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE TERMS~~
8 ~~AND CONDITIONS OF THE PURCHASE AGREEMENT SHALL BE DETERMINED JOINTLY~~
9 ~~BY THE SECRETARY OF AGRICULTURE AND THE SECRETARY OF BUDGET AND~~
10 ~~MANAGEMENT, AFTER CONSULTATION WITH THE ATTORNEY GENERAL AND THE~~
11 ~~TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND, WHICH DETERMINATION SHALL~~
12 ~~BE CONCLUSIVELY EVIDENCED BY THEIR EXECUTION OF THE PURCHASE~~
13 ~~AGREEMENT.~~

14 (C) (1) ~~IN ACCORDANCE WITH THIS SECTION, THE CORPORATION MAY~~
15 ~~ISSUE AGRICULTURAL ASSISTANCE REVENUE BONDS, NOTES, AND OTHER~~
16 ~~OBLIGATIONS, INCLUDING AGRICULTURAL ASSISTANCE REFUNDING REVENUE~~
17 ~~BONDS AT OR BEFORE MATURITY, IN AN AMOUNT NOT TO EXCEED \$60,000,000 AND~~
18 ~~FOR AN INITIAL TERM NOT TO EXCEED 15 YEARS, TO FINANCE, OR ASSIST IN THE~~
19 ~~FINANCING OF THE SOUTHERN MARYLAND REGIONAL STRATEGY ACTION PLAN FOR~~
20 ~~AGRICULTURE.~~

21 (2) ~~PROCEEDS FROM THE SALE OF THE AGRICULTURAL ASSISTANCE~~
22 ~~BONDS AND OTHER MONEYS RECEIVED BY THE CORPORATION PURSUANT TO THE~~
23 ~~PURCHASE AGREEMENT SHALL BE USED TO PAY THE STATE A CASH PAYMENT IN~~
24 ~~THE AMOUNT OF THE NET SALES PROCEEDS OF THE BONDS AND MAY ALSO BE USED~~
25 ~~TO:~~

26 (I) ~~PAY THE COSTS OF ISSUANCE OF THE AGRICULTURAL~~
27 ~~ASSISTANCE BONDS;~~

28 (II) ~~ESTABLISH AND FUND RESERVE FUNDS;~~

29 (III) ~~PURCHASE ANY NECESSARY CREDIT OR LIQUIDITY~~
30 ~~ENHANCEMENT OR INSURANCE POLICY; AND~~

31 (IV) ~~PAY OTHER NECESSARY AND REASONABLE EXPENSES AND~~
32 ~~FEES RELATED TO THE ISSUANCE OF THE AGRICULTURAL ASSISTANCE BONDS.~~

33 (3) ~~AGRICULTURAL ASSISTANCE BONDS ISSUED UNDER THIS SECTION~~
34 ~~SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, LIABILITY, OR A PLEDGE OF THE~~
35 ~~FULL FAITH AND CREDIT OF THE STATE OF MARYLAND OR OF ANY POLITICAL~~
36 ~~SUBDIVISION THEREOF AND SHALL BE PAYABLE SOLELY FROM, AND SECURED BY,~~
37 ~~THE PAYMENTS OF THE SECURITIZED PORTION TO THE CORPORATION FROM THE~~
38 ~~CIGARETTE RESTITUTION FUND.~~

1 (D) ON OR BEFORE AUGUST 30 OF EACH YEAR, THE EXECUTIVE DIRECTOR OF
2 THE CORPORATION SHALL CERTIFY TO THE SECRETARY OF BUDGET AND
3 MANAGEMENT THE ANNUAL SECURITIZED PORTION REQUIRED TO BE
4 APPROPRIATED TO THE CORPORATION FROM THE CIGARETTE RESTITUTION FUND IN
5 THE FOLLOWING FISCAL YEAR, AS PROVIDED IN THIS SECTION.

6 **Article -- State Finance and Procurement**

7 ~~7-317.~~

8 (a) There is a Cigarette Restitution Fund.

9 (b) (1) The fund is a continuing, nonlapsing fund that is not subject to §
10 ~~7-302 of this subtitle.~~

11 (2) There shall be credited to the Fund all revenues consisting of:

12 (I) funds received by the State from any source resulting, directly
13 or indirectly, from any judgment against or settlement with tobacco product
14 manufacturers, tobacco research associations, or any other person in the tobacco
15 industry relating to litigation, administrative proceedings, or any other claims made
16 or prosecuted by the State to recover damages for violations of State law; AND

17 (II) ANY RESIDUAL INTEREST AS PROVIDED UNDER ARTICLE 83A, §
18 ~~5-206.1 OF THE CODE.~~

19 (c) The Treasurer shall:

20 (1) invest and reinvest the Fund in the same manner as other State
21 funds; and

22 (2) credit any investment earnings to the Fund.

23 (d) Expenditures from the Fund shall be made by an appropriation in the
24 annual State budget.

25 (e) (1) The Fund shall be expended subject to any restrictions on its use or
26 other limitations on its allocation that are:

27 (i) expressly provided by statute;

28 (ii) required as a condition of the acceptance of funds; or

29 (iii) determined to be necessary to avoid recoupment by the federal
30 government of money paid to the Fund.

31 (2) Disbursements from the Fund to programs funded by the State or
32 with federal funds administered by the State shall be used solely to supplement, and
33 not to supplant, funds otherwise available for the programs under federal or State law
34 as provided in this section.

- (f) (1) ~~The Cigarette Restitution Fund shall be used to fund:~~
- (i) ~~the Tobacco Use Prevention and Cessation Program established under Title 13, Subtitle 10 of the Health – General Article;~~
- (ii) ~~the Cancer Prevention, Education, Screening, and Treatment Program established under Title 13, Subtitle 11 of the Health – General Article; and~~
- (iii) ~~other programs that serve the following purposes:~~
- ~~1. reduction of the use of tobacco products by minors;~~
 - ~~2. implementation of the Southern Maryland Regional Strategy Action Plan for Agriculture adopted by the Tri-County Council for Southern Maryland with an emphasis on alternative crop uses for agricultural land now used for growing tobacco;~~
 - ~~3. public and school education campaigns to decrease tobacco use with initial emphasis on areas targeted by tobacco manufacturers in marketing and promoting cigarette and tobacco products;~~
 - ~~4. smoking cessation programs;~~
 - ~~5. Enforcement of the laws regarding tobacco sales;~~
 - ~~6. the purposes of the Maryland Health Care Foundation under Title 20, Subtitle 5 of the Health – General Article;~~
 - ~~7. primary health care in rural areas of the State and areas targeted by tobacco manufacturers in marketing and promoting cigarette and tobacco products;~~
 - ~~8. prevention, treatment, and research concerning cancer, heart disease, lung disease, tobacco product use, and tobacco control, including operating costs and related capital projects;~~
 - ~~9. substance abuse treatment and prevention programs; and~~
 - ~~10. any other public purpose.~~
- (2) ~~The provisions of this subsection may not be construed to affect the Governor's powers with respect to a request for an appropriation in the annual budget bill.~~
- (g) (1) ~~Amounts may only be expended from the Fund through appropriations in the State budget bill as provided in this subsection.~~
- (2) ~~The Governor shall include in the annual budget bill appropriations from the Fund equivalent to the lesser of \$100,000,000 or 90% of the funds estimated to be available to the Fund in the fiscal year for which the appropriations are made.~~

1 (3) (4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, OF THE
2 FUNDS REQUIRED TO BE APPROPRIATED UNDER PARAGRAPH (2) OF THIS
3 SUBSECTION, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN
4 APPROPRIATION TO THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION IN
5 THE AMOUNT CERTIFIED BY THE EXECUTIVE DIRECTOR PURSUANT TO ARTICLE 83A,
6 § 5-206.1 OF THE CODE TO IMPLEMENT THE SOUTHERN MARYLAND REGIONAL
7 STRATEGY ACTION PLAN FOR AGRICULTURE.

8 (H) IF THE FUNDS IN THE CIGARETTE RESTITUTION FUND ARE
9 INSUFFICIENT TO SATISFY THE REQUIRED APPROPRIATION, THE GOVERNOR SHALL
10 APPROPRIATE THE FUNDS THAT ARE AVAILABLE BUT SHALL HAVE NO OBLIGATION
11 TO APPROPRIATE FUNDS FROM ANY OTHER SOURCE.

12 {(3)} (4) For each fiscal year for which appropriations are made, at least
13 50% of the appropriations shall be made for those purposes enumerated in subsection
14 (f)(1)(i), (ii), and (iii) 1 through 9 of this section subject to the requirement of
15 subsection (e)(2) of this section.

16 {(4)} (5) Any additional appropriations, not subject to paragraph (3) of
17 this subsection, may be made for any lawful purpose.

18 (h) For each program, project or activity receiving funds appropriated under
19 subsection (g)(3) of this section, the Governor shall:

20 (1) develop appropriate statements of vision, mission, key goals, key
21 objectives, and key performance indicators and report these statements in a discrete
22 part of the State budget submission, which shall also provide data for key
23 performance indicators; and

24 (2) report annually, subject to § 2-1246 of the State Government Article,
25 to the General Assembly no later than October 1 on:

26 (i) total funds expended, by program and subdivision, in the prior
27 fiscal year from the Fund established under this section; and

28 (ii) the specific outcomes or public benefits resulting from that
29 expenditure.

30 SECTION 2. AND BE IT FURTHER ENACTED, That agricultural assistance
31 obligations issued under this Act shall contain on their face a statement to the effect
32 that neither the State of Maryland nor any political subdivision thereof shall be
33 obligated to pay the principal of or interest on the obligations except from revenues
34 specifically pledged to them and that neither the full faith and credit nor the taxing
35 power of the State or any political subdivision thereof is pledged to the payment of the
36 principal of or the interest on the agricultural assistance obligations.

37 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
38 June 1, 2001.

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That:

3 (1) The Board of Public Works may borrow money and incur indebtedness on
4 behalf of the State of Maryland through a State loan to be known as the Southern
5 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2003 in the total
6 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
7 and delivery of State general obligation bonds authorized by a resolution of the Board
8 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
9 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

10 (2) The bonds to evidence this loan or installments of this loan may be sold as
11 a single issue or may be consolidated and sold as part of a single issue of bonds under
12 § 8-122 of the State Finance and Procurement Article.

13 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
14 and first shall be applied to the payment of the expenses of issuing, selling, and
15 delivering the bonds, unless funds for this purpose are otherwise provided, and then
16 shall be credited on the books of the Comptroller and expended, on approval by the
17 Board of Public Works, for the following public purposes: as a grant to the Tri-County
18 Council for Southern Maryland to assist in the implementation of the Southern
19 Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County
20 Council for Southern Maryland as provided for under § 7-317(f) of the State Finance
21 and Procurement Article and approved by the Secretary of Agriculture.

22 (4) An annual State tax is imposed on all assessable property in the State in
23 rate and amount sufficient to pay the principal of and interest on the bonds, as and
24 when due and until paid in full. The principal shall be discharged within 15 years
25 after the date of issue of the bonds.

26 SECTION 2. AND BE IT FURTHER ENACTED, That:

27 (1) The Board of Public Works may borrow money and incur indebtedness on
28 behalf of the State of Maryland through a State loan to be known as the Southern
29 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2004 in the total
30 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
31 and delivery of State general obligation bonds authorized by a resolution of the Board
32 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
33 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

34 (2) The bonds to evidence this loan or installments of this loan may be sold as
35 a single issue or may be consolidated and sold as part of a single issue of bonds under
36 § 8-122 of the State Finance and Procurement Article.

37 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
38 and first shall be applied to the payment of the expenses of issuing, selling, and
39 delivering the bonds, unless funds for this purpose are otherwise provided, and then
40 shall be credited on the books of the Comptroller and expended, on approval by the
41 Board of Public Works, for the following public purposes: as a grant to the Tri-County
42 Council for Southern Maryland to assist in the implementation of the Southern

1 Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County
2 Council for Southern Maryland as provided for under § 7-317(f) of the State Finance
3 and Procurement Article and approved by the Secretary of Agriculture.

4 (4) An annual State tax is imposed on all assessable property in the State in
5 rate and amount sufficient to pay the principal of and interest on the bonds, as and
6 when due and until paid in full. The principal shall be discharged within 15 years
7 after the date of issue of the bonds.

8 SECTION 3. AND BE IT FURTHER ENACTED, That:

9 (1) The Board of Public Works may borrow money and incur indebtedness on
10 behalf of the State of Maryland through a State loan to be known as the Southern
11 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2005 in the total
12 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
13 and delivery of State general obligation bonds authorized by a resolution of the Board
14 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
15 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

16 (2) The bonds to evidence this loan or installments of this loan may be sold as
17 a single issue or may be consolidated and sold as part of a single issue of bonds under
18 § 8-122 of the State Finance and Procurement Article.

19 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
20 and first shall be applied to the payment of the expenses of issuing, selling, and
21 delivering the bonds, unless funds for this purpose are otherwise provided, and then
22 shall be credited on the books of the Comptroller and expended, on approval by the
23 Board of Public Works, for the following public purposes: as a grant to the Tri-County
24 Council for Southern Maryland to assist in the implementation of the Southern
25 Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County
26 Council for Southern Maryland as provided for under § 7-317(f) of the State Finance
27 and Procurement Article and approved by the Secretary of Agriculture.

28 (4) An annual State tax is imposed on all assessable property in the State in
29 rate and amount sufficient to pay the principal of and interest on the bonds, as and
30 when due and until paid in full. The principal shall be discharged within 15 years
31 after the date of issue of the bonds.

32 SECTION 4. AND BE IT FURTHER ENACTED, That:

33 (1) The Board of Public Works may borrow money and incur indebtedness on
34 behalf of the State of Maryland through a State loan to be known as the Southern
35 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2006 in the total
36 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
37 and delivery of State general obligation bonds authorized by a resolution of the Board
38 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
39 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

1 (2) The bonds to evidence this loan or installments of this loan may be sold as
2 a single issue or may be consolidated and sold as part of a single issue of bonds under
3 § 8-122 of the State Finance and Procurement Article.

4 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
5 and first shall be applied to the payment of the expenses of issuing, selling, and
6 delivering the bonds, unless funds for this purpose are otherwise provided, and then
7 shall be credited on the books of the Comptroller and expended, on approval by the
8 Board of Public Works, for the following public purposes: as a grant to the Tri-County
9 Council for Southern Maryland to assist in the implementation of the Southern
10 Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County
11 Council for Southern Maryland as provided for under § 7-317(f) of the State Finance
12 and Procurement Article and approved by the Secretary of Agriculture.

13 (4) An annual State tax is imposed on all assessable property in the State in
14 rate and amount sufficient to pay the principal of and interest on the bonds, as and
15 when due and until paid in full. The principal shall be discharged within 15 years
16 after the date of issue of the bonds.

17 SECTION 5. AND BE IT FURTHER ENACTED, That:

18 (1) The Board of Public Works may borrow money and incur indebtedness on
19 behalf of the State of Maryland through a State loan to be known as the Southern
20 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2007 in the total
21 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
22 and delivery of State general obligation bonds authorized by a resolution of the Board
23 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
24 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

25 (2) The bonds to evidence this loan or installments of this loan may be sold as
26 a single issue or may be consolidated and sold as part of a single issue of bonds under
27 § 8-122 of the State Finance and Procurement Article.

28 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
29 and first shall be applied to the payment of the expenses of issuing, selling, and
30 delivering the bonds, unless funds for this purpose are otherwise provided, and then
31 shall be credited on the books of the Comptroller and expended, on approval by the
32 Board of Public Works, for the following public purposes: as a grant to the Tri-County
33 Council for Southern Maryland to assist in the implementation of the Southern
34 Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County
35 Council for Southern Maryland as provided for under § 7-317(f) of the State Finance
36 and Procurement Article and approved by the Secretary of Agriculture.

37 (4) An annual State tax is imposed on all assessable property in the State in
38 rate and amount sufficient to pay the principal of and interest on the bonds, as and
39 when due and until paid in full. The principal shall be discharged within 15 years
40 after the date of issue of the bonds.

41 SECTION 6. AND BE IT FURTHER ENACTED, That:

1 (1) The Board of Public Works may borrow money and incur indebtedness on
2 behalf of the State of Maryland through a State loan to be known as the Southern
3 Maryland Regional Strategy-Action Plan for Agriculture Loan of 2008 in the total
4 principal amount of \$5,000,000. This loan shall be evidenced by the issuance, sale,
5 and delivery of State general obligation bonds authorized by a resolution of the Board
6 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
7 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

8 (2) The bonds to evidence this loan or installments of this loan may be sold as
9 a single issue or may be consolidated and sold as part of a single issue of bonds under
10 § 8-122 of the State Finance and Procurement Article.

11 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
12 and first shall be applied to the payment of the expenses of issuing, selling, and
13 delivering the bonds, unless funds for this purpose are otherwise provided, and then
14 shall be credited on the books of the Comptroller and expended, on approval by the
15 Board of Public Works, for the following public purposes: as a grant to the Tri-County
16 Council for Southern Maryland to assist in the implementation of the Southern
17 Maryland Regional Strategy-Action Plan for Agriculture adopted by the Tri-County
18 Council for Southern Maryland as provided for under § 7-317(f) of the State Finance
19 and Procurement Article and approved by the Secretary of Agriculture.

20 (4) An annual State tax is imposed on all assessable property in the State in
21 rate and amount sufficient to pay the principal of and interest on the bonds, as and
22 when due and until paid in full. The principal shall be discharged within 15 years
23 after the date of issue of the bonds.

24 SECTION 7. AND BE IT FURTHER ENACTED, That it is the intent of the
25 General Assembly that the \$5,000,000 of general obligation bonds authorized in
26 Sections 1 through 6 of this Act be included as part of the general obligation debt limit
27 recommended by the Capital Debt Affordability Committee, in accordance with §
28 8-112 of the State Finance and Procurement Article, for each of the six years. Further,
29 it is the intent of the General Assembly that the Maryland Department of Agriculture
30 develop a repayment schedule to reimburse the General Fund, within eight years of
31 the final issuance of debt authorized under this Act, for the principal and issuance
32 costs of any debt issued. The appropriation from the Cigarette Restitution Fund for
33 implementation of the Southern Maryland Regional Strategy-Action Plan for
34 Agriculture as provided for under § 7-317(f) of the State Finance and Procurement
35 Article shall annually be reduced according to the repayment schedule.

36 SECTION 8. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
37 take effect June 1, 2003, Section 2 of this Act shall take effect June 1, 2004, Section 3
38 of this Act shall take effect June 1, 2005, Section 4 of this Act shall take effect June 1,
39 2006, Section 5 of this Act shall take effect June 1, 2007, and Section 6 of this Act
40 shall take effect June 1, 2008.

41 SECTION 9. AND BE IT FURTHER ENACTED, That, except as provided in
42 Section 8 of this Act, this Act shall take effect June 1, 2001.

